

# PURCHASING

## DESCRIPTION

The Purchasing Department provides procurement services, information, and guidance for county and school departments, and individual schools. The staff administers competitive bidding for goods, services, construction, the competitive negotiation procedure for professional and consultant services, and establishes, renews, and administers approximately 400 requirements contracts for goods

and services. The department also conducts auctions for the sale of surplus goods and administers a formal cost avoidance program. In coordination with county and school departments, staff develops specifications, administers contracts, and strives to insure that all procurement activity is accomplished in an ethical, legal, efficient, effective, and competitive manner.

## FINANCIAL ACTIVITY

	<b>FY2002 Actual</b>	<b>FY2003 Adopted</b>	<b>FY2004 Biennial Planned</b>	<b>FY2004 Adopted</b>	<b>Change FY2003 to FY2004</b>	<b>FY2005 Projected</b>	<b>FY2006 Projected</b>	<b>FY2007 Projected</b>
<b>Personnel</b>	\$857,744	\$869,700	\$869,700	\$897,200	3.2%	\$897,200	\$897,200	\$897,200
<b>Operating</b>	56,316	69,500	69,500	70,600	1.6%	70,600	70,600	70,600
<b>Capital</b>	<u>154</u>	<u>0</u>	<u>0</u>	<u>0</u>	0.0%	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	\$914,215	\$939,200	\$939,200	\$967,800	3.0%	\$967,800	\$967,800	\$967,800
<b>Revenue</b>	<u>156,179</u>	<u>160,700</u>	<u>160,700</u>	<u>165,000</u>	2.7%	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>
<b>Net Cost</b>	\$758,035	\$778,500	\$778,500	\$802,800	3.1%	\$802,800	\$802,800	\$802,800
<b>FT Pos.</b>	14	14	14	14	0	14	14	14

## BUDGET ANALYSIS AND EVALUATION

During FY2004, Purchasing will continue to empower departments by delegating small-dollar purchases to them. This allows purchasing staff more time and resources to devote to the higher dollar and more complex purchases where the potential for significant cost avoidance exists. The delegation of authority also improves the overall delivery of procurement services to the county and schools.

The department continues to be involved in a regional initiative with surrounding localities via cooperative bidding for commodities such as diesel fuel, gasoline, library materials, water meters, fleet vehicles, household hazardous waste collection, and wood waste processing. The department has promoted regional efforts in sponsoring workshops to train minority, women owned, and small business owners in how to do business with local government.

The purchasing staff continues to conduct training for its customers. County and school departments have requested and received training on many aspects of procurement. The department's goal is to be able to provide unlimited training, even during the busy months of June - August.

Purchasing staff developed departmental customer service standards. These standards focus on providing quality and competitively priced goods and services in a "total quality" customer service environment. The staff has also developed a vision and mission statement and departmental goals and objectives that support the county's strategic goals and objectives. These were reviewed and updated for FY2004. The department has new workload, effectiveness, and efficiency measures that more accurately measure performance in the delivery of services provided to customers.

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A review of the most recent customer satisfaction surveys submitted by both county and schools departments indicates a high level of satisfaction with purchasing services. The customer satisfaction index for FY2002 was 8.8. While the overall response for each category is high, "requirement contracts" and "response time" were the lowest scoring categories. However, the department received a 9.29 rating on courtesy of staff. While a lower customer satisfaction level with processing time is somewhat common with any centralized procurement function, purchasing remains sensitive to the needs of its customers. Many delegation methods and empowerment techniques have been implemented to address this issue. To best serve the special needs of the department's customers, a part-time purchasing technician position and a full-time automation analyst position have been included as additional funding requests for future years. No new buying staff positions have been added to the department since FY1985, even though the years since have been a time of unprecedented growth and demand in the county and schools for purchasing services.

Purchasing staff is committed and actively involved in professional development. This is highlighted by the interest in professional certification in the department. Eight members hold active certifications

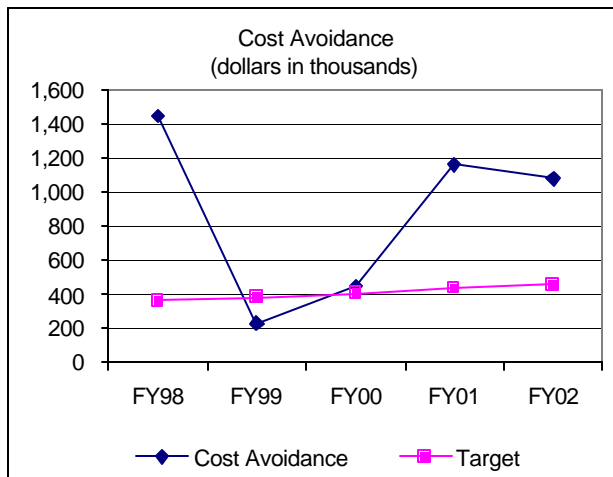
that are awarded by the National Institute of Governmental Purchasing, two members are Certified Professional Secretaries, and one is a Certified Administrative Professional.

The Purchasing Department was awarded the Outstanding Agency Accreditation Achievement Award by the National Institute of Government Purchasing (NIGP) on October 25, 1999. This award was received for demonstrating excellence in public purchasing. This is the highest form of recognition in governmental purchasing. Chesterfield County's Purchasing Department was the eighth agency in the United States, Canada, Ireland, and England to receive this award and the first amongst local and state agencies in Virginia to receive it. Purchasing has been involved in the process necessary for re-accreditation. As a result of its hard work and diligence, the department received a three-year accreditation during FY2003.

For FY2004, additional funding is requested to upgrade a purchasing technician position to Senior Purchasing Technician. Additional funding is also requested to cover the cost of the peer review visit for the Pareto Award of Excellence in Public Procurement. Funding has not been identified in FY2004 for these requests.

## HOW ARE WE DOING?

**Goal:** To exceed customer expectations. Supports countywide strategic goal numbers 1 and 2  
**Objective:** To secure goods and services at the best value for the customer  
**Measure:** Annual cost avoidance amount compared to 50% of Purchasing's annual budget

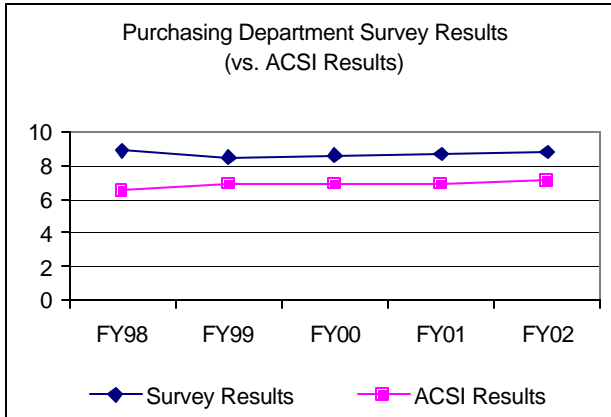


### Initiatives

- Conscious development of new supply sources
- Develop new or improved blanket order/requirements contracts
- Anticipate price increases
- Order consolidation
- Competitive negotiations
- Conduct value analyses

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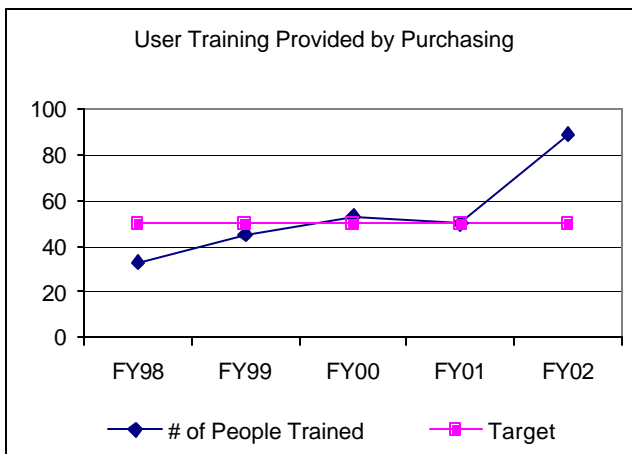
**Goal:** Exceed customer expectations. Supports countywide strategic goal number 1  
**Objective:** To maintain a high rating of customer satisfaction  
**Measure:** Annual Purchasing customer service survey results vs. American Customer Satisfaction Index (ACSI)



## Initiatives

- Annually issue Survey of Customer Satisfaction to county departments and schools
- Use categorical scores to assess areas of strength and weakness in customer service

**Goal:** Promote positive partnerships with our customers. Supports countywide strategic goal number 2  
**Objective:** To provide periodic purchasing user training sessions to enhance professional development and teamwork  
**Measure:** Number of county and school employees trained annually



## Initiatives

- Periodically distribute literature on course descriptions and schedules
- Develop courses that adequately address purchasing procedures, forms, and departmental issues

## WHERE ARE WE GOING?

Over the next three years, all school and county departments will continue to be involved in an ongoing continuing education process on procurement guidelines and procedures. This will be facilitated through group and one-on-one individual departmental and school training.

Continued delegation of small dollar purchases to users will allow purchasing staff to devote their time to larger-dollar purchase areas. Combined planning actions will allow management and staff in Purchasing to use historical and statistical information from the new financial system to plan for

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more cost effective and time saving methods to deal with the ever increasing demands for services.

Staff will continue to have the distinct benefit of remaining up-to-date on new procedures. Doing so will allow the department to proactively provide the highest level of service to its customers.

The department anticipates the need for additional resources to accommodate the increasing needs and demands of its customers and to continue to incorporate total quality improvement techniques in all areas of service delivery. It is unclear, at present, what the total fiscal impact will be to address these future years' needs.